



August 2003



# SCHOOL FINANCE UPDATE

*A Monthly Newsletter Published by the School Finance Division*

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Linda McCulloch, State Superintendent

**Welcome to the 2003- 04 school year!!** This newsletter is emailed to school districts, county superintendents, county treasurers, and auditors each month. The newsletter is intended to reach all district staff involved in budgeting, accounting, enrollment, special education funding, and federal programs. Please forward this newsletter to all interested parties. Got suggestions for items to include here? We'd love to hear from you!

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## Grant Close-Out Reporting

Remember to submit final program reports and fiscal close-out reports to OPI by August 10 for grants that ended June 30, 2003. A final cash request can be made on the fiscal close-out report form. Please submit forms on time, since cash you request after the close-out report due date cannot be reimbursed.



Other reminders:

- For grants ending September 30, 2003, close-out reports are due by November 10.
- The State Vocational Education Payment (revenue code 3240/3900)

does not require any close-out reporting. Funds can be carried over to the following year without limit.

**Questions or comments?** Contact Joan Anderson at (406) 444-1960 or [janderson@state.mt.us](mailto:janderson@state.mt.us).

-- The State Technology Aid (revenue code 3281) is not a grant and does not require any close-out reporting. Funds can be carried over to the following year without limit.

For further information, see the calendar at the front of the "OPI State and Federal Grants Handbook." Contact: Joan Anderson, (406) 444-1960 or [janderson@state.mt.us](mailto:janderson@state.mt.us).

## Summary of Tuition Laws

OPI recently posted a summary of tuition laws at <http://www.opi.state.mt.us/SchoolFinance/Tuition.html>. This is a one-page (legal-sized) summary showing circumstances, the amount of tuition, the party that pays tuition in each case, etc. OPI contact: Joan Anderson, (406) 444-1960 or [janderson@state.mt.us](mailto:janderson@state.mt.us).



## Technology and Flexibility Funds for FY 2003-04

The Legislature did not appropriate any funds for State Technology Grants (revenue code 3281) or Flexibility Payments (revenue code 3282) for FY 2003-04.

Funds may be held over in both funds at year-end, since the law does not require the moneys to be spent by any deadlines. Be sure to include any

money held in the fund in the adopted budgets for FY2003-04.

Districts cannot levy taxes for the Flexibility Fund for FY 2003-04, since there is no state flex funding.

Districts may levy taxes for the Technology Fund for FY 2003-04 if voters have approved the Technology Fund tax levy, up to 20% of the district's technology asset inventory.

If you have questions, please contact Bonnie Maze at (406) 444-3249 or [bmaze@state.mt.us](mailto:bmaze@state.mt.us).

### School Block Grants - HB 124

In November 2003, OPI will distribute 70% of the School Block Grant (revenue code 3444) to each eligible district. The remaining 30% will be paid in May 2004. Amounts of the block grants are pre-filled in the MAEFAIRS budget forms for each fund that will receive a payment.



For budgeting purposes, please be aware the Legislature changed the School Block Grants as follows:

1) General Fund – No change. The fund will receive the average of FY 2001-02 and FY 2002-03 payments, times 100.76%.

2) Transportation Fund- The fund will receive half of what it would have gotten under previous laws. The payment for FY 2003-04 will be 1/2 of the average of FY 2001-02 and FY 2002-03 payments, times 100.76%.

3) Debt Service Fund—No longer receives a school block grant.

4) Other Funds – Other funds no longer receive a school block grant. The amounts are instead combined and distributed as explained in "New Combined Block Grant" below.)

Contact Bonnie Maze at (406) 444-3249 or [bmaze@state.mt.us](mailto:bmaze@state.mt.us) for more information.

### New "Combined Block Grant"

**Use revenue  
code 3445**  
for the Combined  
Block Grant.

The 2003 Legislature created a new payment called the "State Combined Fund School Block Grant."

The School Block Grants for the Bus Depreciation (11), Building Reserve (61), Adult Education (17), and Tuition (13) funds were discontinued. The amount that would have been distributed under the School Block Grant to those funds is combined into a single amount that may be allocated to any budgeted fund or combination of budgeted funds at the district's discretion.

How will the district allocate the Combined Block Grant? On the MAEFAIRS Trustees' Financial Summary (TFS), the first step is to print a page showing funding sources and limits that are pre-filled in MAEFAIRS ("Print Me") and verify the amounts before continuing. This report shows the total State Combined Fund School Block Grant for the district. In each budget screen, you may allocate a portion of the total amount using revenue code 3445. After submitting the adopted budget to OPI, OPI will pay the allocated amounts to the funds as budgeted. The budgeted allocation cannot be changed mid-year, since tax levies will have been calculated based on the amounts allocated while budgeting.

Questions? Contact Bonnie Maze at (406) 444-3249 or [bmaze@state.mt.us](mailto:bmaze@state.mt.us).

### New Coding System for Federal and State Grants Now Effective

The new coding system is required in FY 2003-04. Click here for a full list of ["New Codes for FY2004"](#). OPI Contact: Jim Oberembt at (406) 444-1257 or [joberembt@state.mt.us](mailto:joberembt@state.mt.us).



## Federal A-133 Audit Threshold Increasing

For audits of FY 2004-05, the threshold requiring a school district to have a "Federal" (A-133) audit instead of a regular "Yellow Book" audit will increase to \$500,000 from the current \$300,000 level. This change means that districts spending \$500,000 or more Federal assistance (including the value of USDA commodities) in a year starting in FY2004-05 will require an audit under Federal OMB Circular A-133 standards. The Federal audit places more scrutiny on the district's Federal funding than a regular audit.

*Through FY 2003-04, districts with at least \$300,000 of Federal assistance must have a Federal A-133 audit each year.*

*Beginning FY 2004-05, the threshold moves to \$500,000.*

Approximately 75 districts currently meet the \$300,000 Federal assistance threshold. OPI estimates that under the higher threshold, about 55 (73%) still will require federal audits.

Districts who may be entering contracts for audits of FY 2004-05 should keep this difference in mind and specify in the contract if an A-133 audit is no longer required.

Contact: Jim Oberembt, (406) 444-1257 or [joberembt@state.mt.us](mailto:joberembt@state.mt.us).



## MAEFAIRS Moving to IRIS (Citrix) System for Fall Enrollment Count

Beginning this Fall, Registered MAEFAIRS Users will login to MAEFAIRS through IRIS, the same portal as they currently use for School Foods reporting. To get there, users will click on the "IRIS" tab on the top of the OPI website screen. **OPI will send MAEFAIRS Registered Users their passwords and a set-up CD the last week in September.**

Users need not be concerned about learning a completely new system, however. The MAEFAIRS system itself will look the same and operate very much the same. Rather than clicking on the MAEFAIRS desktop icon, users will login to the Internet IRIS site with a password, enter the MAEFAIR module, and process the reports as usual.

MAEFAIRS Registered Users will remain the same. That is, if your County Superintendent entered your data for you in the past, they will still do so. Paper filers will receive forms by mail by October 6.

The Fall Enrollment count date is October 6, 2003, which is the first Monday in October. Contact Tal Redpath at [tredpath@state.mt.us](mailto:tredpath@state.mt.us) or 444-3024 if you have questions.

**Traffic Ed Reimbursement will be about  
\$65-75 per student.**

## Job Corps and ANB

Under a law passed in 2001, MCA 20-9-707 allows ANB for the resident district of a student who attends a Montana job corps program (Anaconda, Ronan, or Darby). To claim ANB, students must be enrolled in the resident district and the district must have an interlocal agreement with the job corps. For more information, contact Tal Redpath at (406) 444-3024 or [tredpath@state.mt.us](mailto:tredpath@state.mt.us).

## Missed the July 2003 Budget and Accounting Workshops?

Contact OPI for a copy of the handouts: Denise Ulberg, (406) 444-0783 or [dulberg@state.mt.us](mailto:dulberg@state.mt.us).

## Upcoming Budget Deadlines

The budget meeting must be held on or by August 15. The budget is due to the county within 5 days of adoption (no later than August 20). Levies are fixed by the County Commissioners on August 25. TFS and Budget reports must be submitted to OPI by September 8.



OPI Contact: Bonnie Maze, (406) 444-3249 or [bmaze@state.mt.us](mailto:bmaze@state.mt.us).

## Useful Websites



List of all Official OPI E-Mails:

<http://www.metnet.state.mt.us/OfficialMail>

OPI's GASB 34 Web Page:

<http://www.opi.state.mt.us/schoolfinance/gasb34.html>.

OPI's "Get Answers" searchable databases:

[http://data.opi.state.mt.us/scripts/rightnow.cfg/php.exe/enduser/std\\_alp.php](http://data.opi.state.mt.us/scripts/rightnow.cfg/php.exe/enduser/std_alp.php)

Bus Safety and Driver Training Videos:

<http://www.opi.state.mt.us/pdf/pupiltransport/TrainingVideos.pdf>

School Finance forms and publications: <http://www.opi.state.mt.us/schoolfinance/forms.html>

FP-14 Student Attendance Agreement

<http://www.opi.state.mt.us/PDF/SchoolFinance/forms/FP14.pdf>

FP-14A Special Tuition Rates (used with FP-14)

<http://www.opi.state.mt.us/PDF/SchoolFinance/Tuition/SpecTuitRates.pdf>

2003 Elections Calendar:

<http://www.opi.state.mt.us/pdf/schoolfinance/forms/electioncal03.pdf> Need more information about elections? Contact

Mike Waterman at (406) 444-4524 or [mwaterman@state.mt.us](mailto:mwaterman@state.mt.us).

CFDA Numbers for Federal Grants: [http://](http://www.opi.state.mt.us/FederalPrograms/handbook.html)

[www.opi.state.mt.us/FederalPrograms/handbook.html](http://www.opi.state.mt.us/FederalPrograms/handbook.html)

(Appendix F of the OPI State and Federal Grants Handbook)

**Budget Data Sheets:** Post-Legislative Budget Data Sheets for FY 2003-04:

<http://www.metnet.state.mt.us/schoolfinance/0000D9D9-80000007/000169F1-80000007/01100A3C-006AD19D-01104157?WasRead=1>

Excel Spreadsheets:

**Excel General Fund Spreadsheets**

<http://www.opi.state.mt.us/schoolfinance/excel.html>.

**Transportation Budget Spreadsheet**

<http://www.opi.state.mt.us/PDF/SchoolFinance/budget/tranbudgwksh50303.xls>

Let us know if you are looking for a particular form, and we'll do our best to provide it electronically!

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